

Business Standard Dt: 15/09/26.

Škoda India rules out Kylaq exports to Europe after FTA

DEEPAK PATEL

New Delhi, 14 September

Škoda Auto Volkswagen India Private Limited (SAVWIPL) on Monday ruled out exporting its India-developed compact sport utility vehicle (SUV) Kylaq to Europe, even though detailed terms of the India-EU free trade agreement (FTA) released earlier this month offer Indian-origin cars preferential access to the European market.

"After careful consideration, this will not be the case for the Škoda Kylaq," SAVWIPL said in response to questions from *Business Standard* on whether the FTA could make it more attractive to export the Kylaq or other India-made models to the European Union (EU).

SAVWIPL, which has six automotive brands in India — Škoda, Volkswagen, Audi, Porsche, Lamborghini, and Bentley — stated that the group continues to explore opportunities to use its Indian portfolio in international markets. The Kylaq is manufactured and sold by Škoda brand.

The aforementioned decision comes after Škoda had publicly said that exporting the Kylaq to Europe was being evaluated. In June, Škoda Chief Executive Officer (CEO) Klaus Zellmer had said bringing the India-made SUV to Europe was "very much on the table". As recently as August, media reports mentioned the company was evaluating a European export version, potentially with a 1.5-litre TSI engine.

SAVWIPL, however, has not closed the door on taking other India-developed products to international markets. It said the group is continuously "exploring sensible business



Changing track

- The decision comes after Škoda India had publicly said it was evaluating exporting the Kylaq to Europe
- However, SAVWIPL has not closed the door on taking other India-developed products to global markets
- The firm said the FTA nevertheless creates opportunities for the auto industry
- The FTA provides greater visibility for businesses operating across the two markets
- Launched in Nov 2024, Kylaq accounted for around 62% of the brand's sales in the first 8 months of 2026

opportunities to grow its international footprint and to offer customers more choice for affordable mobility".

"One of the options would be to evaluate how to leverage the brand's successful Indian portfolio for other regions of the world," it added. SAVWIPL currently manufactures five passenger-vehicle (PV) models in India: Kylaq, Kushaq and Slavia under the Škoda brand, and Taigun and Virtus under the Volkswagen brand.

The Kylaq, which was launched in November 2024, has emerged as a major success for Škoda in India. Škoda sold 72,665 cars in 2025, its highest ever annual sales in the country, registering 107 per cent year-on-year (Y-o-Y) growth. About 61 per cent of Škoda's total sales in India were Kylaq.

Its demand continues to remain strong. Kylaq accounted for around 62 per cent of the brand's sales in the first eight months of 2026. Škoda's overall India sales stood at 50,253 units during the January-August period, up 7.6 per cent Y-o-Y.

The company said the FTA nevertheless creates opportunities for the auto industry and provides greater visibility for businesses operating across the two markets.

"As a global company, we strongly support FTAs across markets and geographies. The FTA provides greater long-term visibility and opens up opportunities for the industry. But it is important to distinguish between the opportunity created by the FTA and an immediate change in our portfolio," SAVWIPL said.

The company reiterated that India would remain an important development and manufacturing base for the group.

"We remain firmly committed to India as a development and manufacturing hub. The FTA does not change our commitment to building a strong, sustainable, and increasingly localised business in India," it said. SAVWIPL also emphasised that the group's commitment to its Indian operations extends beyond exports.

"What remains certain is the group's unwavering commitment to offering high-quality, safe, and competitively priced vehicles backed by exceptional service and ownership benefits," the company said.

"We remain committed to developing and manufacturing products in India, for India and the world," it added.

The India-EU FTA negotiations were formally concluded on January 27, 2026, but the detailed tariff schedules and annexes were published earlier this month after the legal revision process. The detailed terms are particularly significant for automobiles. The EU will initially allow up to 250,000 Indian-origin cars into its market annually at preferential tariffs, with the quota rising to 400,000 vehicles by the 10th year. The preferential tariff for eligible Indian cars will fall from 8 per cent to zero over five years.

The agreement also opens India's PV market to European manufacturers through a quota-based mechanism. India will allow 100,000 EU-made internal combustion engine (ICE) and non-plug-in hybrid passenger cars in the first year, with the quota rising to 160,000 by the 10th year.

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Himadri eyes 70% exports with full capacity utilisation at Birla Tyres

HEMANT KUMAR ROUT

Bhubaneswar, 14 September

A year after acquiring 100 per cent of Birla Tyres, Himadri Speciality Chemical is all set to scale up its tyre business over the next four years, with plans to take capacity utilisation from the current 15-20 per cent to 100 per cent and make exports of off-the-road (OTR) and off-highway tyres (OHT) a major growth driver.

Anurag Choudhary, chairman and managing director and chief executive officer of Himadri, said Birla Tyres, which resumed production on May 29 last year, has been ramping up output every month and is expected to see a substantial increase in revenue as utilisation improves. The company achieved a top line of ₹126 crore in the first quarter and expects the business to go quarter-on-quarter.

Birla Tyres has an installed capacity of around 400 tonnes per



Anurag Choudhary, MD and CEO of Himadri, said the strategy is aimed at moving Birla Tyres into higher-value and specialised tyre categories

day, with current production at about 80-100 tonnes per day. "The idea is to ramp up in every quarter. The biggest shift in the business will come from a change in product mix. We are moving in phases from its traditional truck and bus bias tyre (also known as a cross-ply tyre) business towards OTR and OHT tyres, with agriculture and mining identified as the

principal growth segments," he said in an interaction with *Business Standard*.

Choudhary said the transition would take around four years, during which the company will introduce around 400 new stock-keeping units to address specific customer requirements. The strategy is aimed at moving Birla Tyres into higher-value and more specialised tyre categories with stronger demand in global markets.

Exports will be central to this strategy. The company has already started exporting, although volumes are currently small because production is still at an early stage of rampup. It is initially targeting African markets and some countries in West Asia, while also developing opportunities in Europe and the US. The international footprint is expected to expand substantially over the next five years. Himadri expects more than two-thirds of the OTR and OHT tyre volumes produced in India to be exported

to international markets. "We aspire to export more than 70 per cent of our production to the global market for agriculture and mining tyres. We are building a robust international distribution network," Choudhary said.

The product portfolio is also set to widen further. While OTR and OHT will remain the key near-term focus, Himadri is preparing for a subsequent entry into passenger car radial (PCR) tyres, particularly in the electric vehicle (EV) and sport utility vehicle categories, with a dedicated PCR facility being readied for commissioning in 2028 at its factory in Odisha's Balasore district. "We will have all the products. We have OTR, OHT, bias for trucks and buses, then we have PCR and EV," he said. The firm is simultaneously investing in modernising the Birla Tyres plant through automation, machinery upgrades, and new equipment.

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Business Standard. Dt: 15/09/26

India to export 654 Mw of power to Nepal

SUDHEER PAL SINGH

New Delhi, 14 September

The power ministry on Monday said the government has given approval for the export of 654 Megawatt (Mw) electricity to Nepal Electricity Authority for 18 hours every day till the end of December 2026.

"Approval has been given for up to 600 Mw of export through Muzaffarpur-Dhalkebar 400 Kilo-

volt Double Circuit line and up to 54 Mw through Tanakpur-Mahendranagar 132 Kilovolt Single Circuit line. The quantum of power to be exported from January 2027, will be reviewed in December 2026," the ministry said in a statement. It added that the recent floods have caused significant damage to hydropower infrastructure in Nepal, reducing its domestic power generation capacity and creating an additional requirement for electricity.

"The approval will help Nepal meet its power requirements during this difficult period and further strengthen the close and longstanding energy cooperation between India and Nepal. India remains committed to supporting Nepal and strengthening bilateral cooperation in the energy sector," the ministry said.

Flash floods in the Trishuli and Lhende Khola river basins on August 26 had caused severe local

infrastructure damage and disrupted power generating stations in Nepal, cutting off 550 Mw of its power capacity. Before that, the country had 4,200 Mw installed and operational power generation capacity.

A senior power ministry official told *Business Standard* the cut in hydropower flows from Nepal to India was unlikely to have any discernible impact on New Delhi's domestic supplies.

Natural Gas Imports Rise Despite Price Surge

Sanjeev Choudhary

New Delhi: India's natural gas imports continued to grow despite a sharp rise in prices this fiscal year. Demand got a boost from a subsidised fertiliser sector, growing CNG vehicle sales, limited supply of alternative fuels such as LPG and falling domestic gas production.

However, a recent surge in spot liquefied natural gas (LNG) prices to \$25 per mmBtu may partly dent demand or push consumers towards alternative fuels, said industry executives. With Gulf gas supplies disrupted due to the Iran war, India is currently sourcing about 35-40% of its imports from the spot market. Asian spot benchmark JKM averaged \$19 per mmbtu in the April-August period, up from \$12 in the same period last year. Spot LNG has been pricier than those procured under long-term contracts where rates are linked to crude oil or the US gas benchmark and have risen far



less. At an April-August Brent average of \$90 per barrel, LNG could have cost \$11-12 per mmBtu, while the US gas benchmark has remained largely unchanged from last year.

Some local suppliers have been blending volumes from expensive spots and cheaper long-term contracts to keep LNG rates acceptable to customers. LNG imports rose 5% year-on-year by volume and 25% by value to \$5.6 billion during April-July, according to oil ministry data. August imports rose 5% over July, according to Kpler. Overall

domestic gas consumption has also held up, rising about 0.5% year-on-year to 22.9 billion cubic meters (bcm). "The resilience in India's LNG imports is being driven primarily by continued growth in city-gas demand and broadly stable fertiliser consumption," said Sonal Ranjan, analyst at analytics firm Kpler. "These are relatively price-insulated parts of India's gas market: city gas benefits from priority domestic gas allocation, while fertiliser is heavily supported through government subsidies."

The fertiliser sector was the largest driver of imports, accounting for a quarter of total LNG imports in the April-July period. Its imported gas consumption was 5% more than last year, which, at this year's higher prices, would inflate the government's fertiliser subsidy bill. Cutting fertiliser output due to a gas supply disruption is difficult as it's an essential input for farming. The city gas sector surpassed fertiliser as the country's

largest gas consumer for the first time this fiscal year. It accounted for 30% of gas consumption, ahead of fertiliser's 28%. Its share in imported LNG, however, was 14%, trailing fertiliser's 25%.

Growth in city gas consumption was fuelled primarily by rapid growth in CNG vehicle sales, as rising petrol prices shifted consumer preferences towards CNG, which remain cheaper to run despite price hikes. Industry, meanwhile, has faced a supply squeeze in alternative fuels such as LPG, forcing some consumers to continue using pricey LNG even as higher prices partially weighed on demand. The recent rise in LNG prices and fall in benchmark LPG prices have, however, created an opportunity in some cases, such as Gujarat's Morbi, for industries with dual-fuel capability to switch back to LPG. "If LPG supply tightens or its replacement cost rises, that could limit the extent of switching and preserve some industrial LNG demand despite the wider price differential," said Ranjan at Kpler.

Business Line Dt: 16/09/26.

Aug exports jump 26%; dip in imports trims trade deficit

Amiti Sen

New Delhi

Goods exports shot up 26.13 per cent year-on-year in August — the highest so far this fiscal — to \$43.81 billion, led by petroleum product shipments, according to government data.

Imports increased, too, during the month, albeit at a lower rate of 14.1 per cent to \$70.67 billion as gold imports declined by almost half to \$2.3 billion, shrinking the trade deficit in August to \$26.86 billion from \$27.2 billion in August 2025.

GROWTH DRIVERS

The “exceptional” growth in exports was driven by a dynamic mix of commodities and key partner countries, Commerce Secretary Rajesh Agrawal said at a media briefing on Tuesday.

During April-August 2026-27, merchandise exports rose 17.85 per cent year-on-year to \$215.91 billion, while imports grew at a slightly faster 18.21 per cent to \$363 billion. As a result, the merchandise trade deficit widened to \$147.09 billion in the first five months of the fiscal from \$123.88 billion in April-August 2025-26.

“We have seen good performances across engineering goods, petroleum products, chemicals and tex-

KEY INDICATORS

- Goods exports surge 26.13% to \$43.81 billion in Aug
- Imports stood at \$70.67 billion
- Trade deficit fell to \$26.86 billion

tiles. Major demand has come from the US, the EU, BRICS nations and emerging economies,” Agrawal said.

On the other hand, the surge in imports, which led to a higher trade deficit in the first five months, is being propelled by strong domestic economic expansion, rising energy requirements and the critical inputs needed to sustain the rapid growth of our manufacturing sector, Agrawal said.

The major drivers of trade deficit have been energy items like petroleum, crude and coal, coke and briquettes, and electronic goods.

FIEO President SC Ralhan said the sectoral performance was particularly encouraging as growth is not confined to a single export segment.

Engineering, electronics, chemicals, petroleum products, automobiles and other value-added sectors all contributed to the expansion of India’s export basket.

Edible oil imports up 4.5% in Nov-Aug

Our Bureau

Mangaluru

Edible oil imports grew 4.56 per cent during the first 10 months of the oil year 2025-26 (November-October), driven by higher imports of palm and soybean oil.

Data compiled by the Solvent Extractors' Association of India (SEA) showed that India imported 136.19 lakh tonnes (lt) of edible oil during November-August of the oil year 2025-26, against 130.24 lt in the corresponding period of 2024-25.

Palm oil imports, including crude palm oil and RBD palmolein, increased to 65.34 lt during the first 10 months of the oil year 2025-26 from 61.47 lt in the corresponding period of the previous oil year.

During the period, soybean oil imports increased to 45.61 lt from 44.64 lt, while sunflower oil imports rose to 25.15 lt from 24 lt.

On a month-on-month basis, edible oil imports mar-

ginally increased to 15.72 lt in August from 15.49 lt in July 2026.

BV Mehta, Executive Director, SEA, said the increase in August was primarily driven by higher imports of crude soybean oil. India imported 5.54 lt of crude soybean oil in August, up 51 per cent from 3.67 lt, while imports of refined soybean oil rose 19 per cent to 74,000 tonnes from 62,000 tonnes.

Mehta said that imports of refined oils from Nepal continued at significant levels. During November-August 2025-26, Nepal exported 5.98 lt of refined oils to India.

This included 5.31 lt of refined soybean oil, 33,881 tonnes of refined sunflower oil, 28,728 tonnes of RBD palmolein and 4,428 tonnes of rapeseed oil.

Nepal is mainly importing crude soybean oil, refining it and exporting the refined soybean oil to India, Mehta said.

Nepal enjoys zero import duty under the Safta agree-

ment for exports to India.

REFINED VS CRUDE OILS

Imports of refined oil declined sharply to 6.59 lt during November-August 2025-26 from 16.36 lt in the corresponding period of the previous year.

Consequently, the share of refined oil in total edible oil imports declined to 5 per cent from 13 per cent, mainly due to negligible imports of refined palmolein from Indonesia and Malaysia, Mehta said.

At the same time, imports of crude edible oils increased substantially to 129.6 lt during the first 10 months of oil year 2025-26 from 113.88 lt in the corresponding period of the previous oil year.

The share of crude edible oil in total edible oil imports rose to 95 per cent from 87 per cent.

The increase was primarily driven by higher imports of crude palm oil, which replaced imports of refined palmolein, he said.

Business Line. Dt: 16/09/26

Gem, jewellery exports up 3% to \$2.30 billion in Aug

Suresh P Iyengar

Mumbai

Gem and jewellery exports increased 3 per cent in August to \$2.3 billion, compared with \$2.23 billion in the same period last year, driven by a rise in value-added gold jewellery exports.

In rupee terms, exports increased 13 per cent to ₹21,946 crore from ₹19,504 crore due to the depreciation of the rupee, according to data from the Gem and Jewellery Export Promotion Council.

While cut and polished

diamond exports remained under pressure in value terms, the volume rose from 12.94 lakh carats in August 2025 to 13.36 lakh carats in August 2026.

At the same time, studded gold jewellery exports surged 52 per cent in US dollar terms, indicating growing international demand for finished and value-added jewellery.

Plain gold jewellery exports declined 24 per cent to \$357 million, amid elevated gold prices and the limited availability of duty-free gold for exporters, raising input



EXPORT BOOST. Cut, polished diamond export volume rose to 13.36 lakh carats in August from 12.94 lakh carats a year ago

costs and putting pressure on the competitiveness of plain gold jewellery exports.

FINISHED JEWELLERY

Gold prices increased 8 per cent month-on-month to

\$4,074 per troy ounce in July to \$4,411 per troy ounce in August. Kirit Bhansali, Chairman, GJEPC, said, "The increase in diamond export volumes, along with the sharp growth in studded gold

jewellery exports, highlights India's growing ability to create greater value by transforming precious materials into finished jewellery."

Cut and polished diamond exports declined 5 per cent to \$925 million. Silver jewellery exports declined 40 per cent to \$87 million. Polished lab-grown diamonds exports grew 28 per cent to \$125 million.

Gem and jewellery exports increased 3 per cent at \$11.47 billion, while in rupee terms, exports rose 13 per cent to ₹1.09 lakh crore, despite continued global eco-

nomic uncertainties and elevated precious metal prices. Gold jewellery exports increased 7 per cent to \$5 billion (\$4.7 billion) year-on-year. Cut and polished diamond exports declined 7 per cent \$4.52 billion during April-August.

Silver jewellery exports grew 36 per cent to \$595 million (\$439 million).

Polished lab-grown diamond exports increased 12 per cent to \$534 million (\$478 million). Coloured gemstone exports declined 2 per cent to \$153 million (\$156 million).

Business Standard. Dt: 16/09/26

PV exports fell 17% in Aug as firms stocked up for festivals

SOHINI DAS

Mumbai, 15 September

India's passenger vehicle (PV) exports declined 17 per cent year-on-year in August, contrasting with a 36.5 per cent surge in domestic dispatches as automakers stocked up for the festival season.

Domestic PV dispatches surged to 439,309 units in August — up from 321,901 a year earlier — making it the highest ever for the month, according to data released by the Society of Indian Automobile Manufacturers (Siam) on Tuesday.

In contrast, PV exports declined 17 per cent to 68,230 units from 82,246. The export data does not include Tata Motors, BMW, Mercedes-Benz, Jaguar Land Rover and Volvo as Siam does not have their monthly numbers.

Overseas shipments of passenger cars fell 51.5 per cent to 21,181 units in August from 43,650 a year earlier, driving the overall decline in exports.

Utility vehicle (UV) exports beat the trend, rising 23.7 per cent to 46,400 units from 37,522 units. Van exports declined 39.6 per cent to 649 units.

Domestic demand remained strong across PV segments. Excluding Tata Motors and some luxury manufacturers, UV dispatches jumped 39.2 per cent to 250,084 units. Passenger car dispatches increased 23.8 per



Domestic dispatches surge

Dispatch volumes (in units)

Category	Aug '25	Aug '26	Y-o-Y chg (%)
Passenger vehicles	321,901	439,309	36.5
Three-wheelers	76,324	93,764	22.8
Two-wheelers	1,841,954	2,034,698	10.5

Note: BMW, Mercedes, JLR and Volvo auto data are not available. Tata Motors' domestic sales data included only in 'Total PV', detailed break-up is not available

Export volumes (in units)

Category	Aug '25	Aug '26	Y-o-Y chg (%)
Passenger vehicles	82,246	68,230	-17.0
Three-wheelers	42,773	56,166	31.3
Two-wheelers	432,234	555,292	28.5

Source: Siam

cent to 112,011 units.

Van sales rose 10.9 per cent to 11,961 units. PV production increased 25.7 per cent to 454,266 units from 361,489 units. UV production grew 28.3 per cent, passenger car production 22.1 per cent and van output 11.5 per cent.

Siam attributed the strong August sales partly to a favourable base while pointing to

healthy underlying demand.

"India's automobile industry is passing through a robust growth phase. The growth in August 2026 has been supported by a lower base in the previous year," said Rajesh Menon, director general of Siam.

He said strong consumer confidence, resilient rural markets and improving financing conditions are supporting

demand, with the festive season expected to provide an additional boost.

Automobile demand is also supported by a replacement cycle that goes beyond the boost from last year's rate cuts in goods and services tax (GST), said Jitin Makkar, senior vice-president and group head at ICRA.

"We would have otherwise expected the GST-related sentiment boost and the economic boost to have started to show signs of fading. That is yet to happen. Therefore, our view is that it is not just the GST factor alone but also the replacement demand," Makkar said.

Consumers who had deferred replacing vehicles bought five to seven years ago are returning to the market. However, ICRA expects the pace of growth to moderate in the second half of FY27. "From the levels of volumetric growth that the automobile sector has seen in H1 (first half) FY27, H2 perhaps, from a growth perspective, is going to be much softer," Makkar said.

The divergence between domestic sales and exports was specific to PVs. Two-wheeler exports rose 28.5 per cent to 555,292 units, while domestic dispatches increased 10.5 per cent to 2.03 million units.

Three-wheeler exports increased 31.3 per cent to 56,166 units, alongside a 22.8 per cent rise in domestic dispatches to 93,764 units.

Goods Exports Up 26% in Aug, Trade Deficit Eases

Exports were dominated by sectors such as engineering, petroleum products, chemicals and textiles; US remains top market

Our Bureau

New Delhi: India's goods exports rose 26.1% in August to \$43.81 billion from the year before, driven by higher demand from the US, EU, BRICS countries and other emerging economies, while the trade deficit narrowed to a five-month low of \$26.86 billion from a year ago as imports, especially of gold, slowed. Exports were dominated by sectors such as engineering, petroleum products, chemicals and textiles. Sequentially, goods exports slowed from \$44.24 billion in July and the trade deficit shrank from \$31.98 billion. The trade deficit in August last year was \$27.22 billion.

"Surging imports have led to a higher trade deficit in the first five months of this fiscal year, driven by strong domestic economic growth, rising energy needs and demand for critical inputs," said Rajesh Agrawal, commerce secretary. Exports are maintaining positive momentum, fuelled by such as engineering, petroleum products, chemicals, and textiles, he said.

Gold inflow nearly halved to \$2.3 billion from \$4.16 billion in July, which helped cut total imports to \$70.67 billion from \$76.22 billion in July. In August last year, total imports were \$61.96 billion.

Agrawal said India's earlier large trade deficits were partly driven by strong domestic demand, while the government is continuing efforts to diversify export markets through trade agreements and other measures.

Trade with West Asia suffered in the



first half of the year and a dip in overall trade with West Asia was reflected in the data.

On local currency trade, he said banking channels and other processes need to be put in place. Vostro accounts and related infrastructure will need to be expanded for local currency trade between BRICS countries.

The US continued to be India's largest export destination. India's shipments to the US reached \$42.79 billion in the April-August period.

SC Ralhan, president of the Federation of Indian Export Organisations, highlighted the broadening of India's export markets and diversification, which indicates that exporters are increasingly leveraging new and emerging opportunities while strengthening their presence in traditional areas.

On rupee depreciation, he said exports have jumped in both rupee and dollar terms.

CARBON MEASURES

India is seeking the EU's approval for its national accreditation body and local verification agencies under the bloc's Carbon Border Adjustment Mechanism (CBAM) as the government works with exporters to prepare them for reporting requirements. Actual returns have to be filed by September 2027 for the mechanism. Officials said Indian verification bodies have applied for accreditation with the EU and the government expects some of them to be approved.

The commerce and industry ministry has setup a Committee on Export Preparedness for EU CBAM comprising government officials, regulators and industry bodies, and has taken up the issue of steel emission data with the steel ministry.

India is also engaging with the EU on recognition of the National Ac-

creditation Board for Certification Bodies (NABCB), which accredits certification and verification bodies in the country, to have Indian verifiers recognised by the EU. That's aimed at making compliance easier for domestic exporters.

An official said that upstream producers have requested a mechanism for accounting of embedded emissions.

The NABCB has consulted prospective verifiers from the EU. Discussions are underway on an MoU with the EU-recognized accreditation body that will support NABCB recognition in future. India has already secured recognition from the UK.

FTA PROGRESS

Commerce and industry minister Piyush Goyal will visit the US at the end of this month to participate in the G20 trade ministerial in Milwaukee and is expected to hold a bilateral meeting with US Trade Representative Jamieson Greer, Agrawal said. "We expect during the visit, definitely there will be bilateral meetings between the ministers... bilateral is in the offing," he said.

The two-day ministerial will begin on September 30 under the US' G20 presidency.

"Whenever the bilateral takes place, I think all issues, trade issues between India and the US, will be discussed. And even the ongoing FTA (free trade agreement) negotiations and the way forward on that will definitely be on the agenda for discussion," Agrawal said.

The India-New Zealand FTA is likely to come into force late next month, with official dates to be announced shortly, he said. The two countries signed the FTA on April 27, providing duty-free access to 100% of India's exports to New Zealand.

"We are expecting that the agreement will get operationalised in the latter half of October 2026. The exact date for the same will be announced soon... because both sides have to completely take stock of the operationalisation processes and procedures," he said. The agreement is expected to come into force from October 19, according to officials.

On the India-EU FTA, Agrawal said it's progressing as per schedule with the pact expected to advance toward signing after necessary approvals by the EU Council. Following this, the pact will move to the European parliament for approval, which is also expected to take place soon.

The pact is expected to be signed by the end of this year.

Agrawal described the pace at which the European Union has moved on the trade agreement as the "fastest" he has seen for an FTA.

With Canada, the fourth round of FTA negotiations are ongoing in New Delhi, with about 50 Canadian officials participating in the talks. Negotiations on two chapters have been concluded, while discussions on all chapters are continuing.

"Both sides want to make good progress and may conclude the FTA talks by the end of this year," Agrawal said.

The Economic Times, dt. 16/9/26

Cooking Oil Imports up 5% in First 10 Months

Our Bureau

Pune: The import of cooking oil in the first ten months of the ongoing oil year, from October 2025 to August 2026, have increased by 5% over the same period of the previous year, shows data compiled by the industry body Solvent Extractors' Association (SEA). With the imports in September and October expected to be similar to last year's same period, the total cooking oil imports are likely to touch the previous high of 16.46 million tonnes imported in 2022-23. The average cooking oil prices have been higher by 15% to 20%, driven by depreciation of the Indian rupee and an increase in international cooking oil prices.

On a month-on-month basis, the edible oil imports marginally

rose to 15.72 lakh tonnes in August from 15.49 lakh tonnes in July 2026, primarily driven by an increase in soybean oil. Cumulative imports during the first ten months of the 2025-26 oil year (November 2025 to August 2026) increased by 5% to 136.20 lakh tonnes from 130.25 lakh tonnes in the corresponding period of the previous oil year. Nepal has emerged as a significant exporter of refined oils to India in recent years. The Himalayan country mainly imports crude soybean oil and re-exports to India after refining, as it enjoys nil import duty under SAFTA Agreement for export to India. Total edible oil imports amounted to 136.20 lakh tons. Crude palm oil was the largest imported oil category at 64.22 lakh tons, followed by soyabean oil (45.61 lakh tons) and sunflower oil (25.15 lakh tons).

Rice exports hit by W Asia war, gain just 2.1% in April-August

SANDIP DAS
New Delhi, September 15

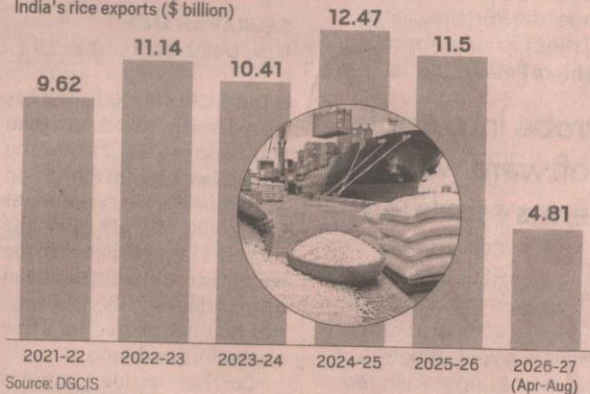
MODEST RISE

RICE EXPORTS, INDIA'S largest agri-product shipment, rose just 2.17% to \$4.81 billion during April-August, 2026-27 year-on-year, as supply disruption and high freight due to the West Asia conflict continue to impact shipments.

In August 2026, the world's biggest rice exporter, shipped grain valued at \$0.91 billion, an increase of 4.12% compared to the same month last year, as importing countries in West Asia continue to adopt a cautious approach in building stock.

Exporters said that ports across Iraq, Kuwait, Bahrain, Qatar, Dammam, and Jebel Ali remain heavily disrupted, forcing shipments to take longer and more expensive alternative routes. Even Jeddah, a key Red Sea gateway, in Saudi Arabia has faced Houthi attacks,

India's rice exports (\$ billion)



while growing tensions raise serious concerns over the Bab el-Mandeb route.

Because of elevated freight costs, Saudi Arabia, the United Arab Emirates (UAE), and others in West Asia are building rice stocks according to immediate

needs as the situation remains fluid, exporters said.

Currently, due to uncertainty over cargo movement in the Strait of Hormuz, most rice and vegetables shipments are through Sohar and Muscat ports of Oman and Khor Fakkan, UAE.

Import prices of urea down 57% since May peak

SANDIP DAS

New Delhi, September 15

WITH EASING SUPPLIES and diversified imports, the landed cost of urea, India's most consumed soil nutrient variant, has declined by around 57% to \$406/tonne last month, down from a peak of \$947/tonne in May 2026.

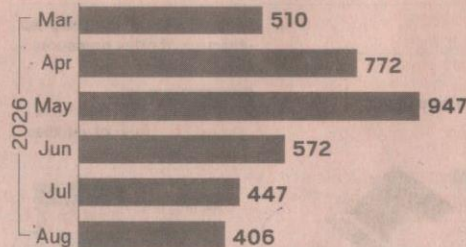
The global price of urea has dropped 23% in August on-year, according to the Department of Fertilisers.

Officials said that with softening prices, especially in the last couple of months, the government is continuously reassessing the initial fertiliser subsidy budget projected at the beginning of the current fiscal year due to a price spike caused by the West Asia war.

"If the current global price trend of soil nutrients continues, fertiliser subsidy may be higher by around ₹15,000 - 20,000 crore from actual subsidy expenses in the previous

TAKING STOCK

Global urea prices* (\$/tonne)



Source: department of fertilisers, *freight on board



■ The government has spent close to ₹1 lakh crore so far on fertiliser subsidies

■ A chunk of subsidy of ₹77,871 crore has been incurred towards imports

fiscal," a source said.

In FY26, expenditure on fertiliser subsidies was ₹2.17 lakh crore – ₹1.42 lakh crore for urea and ₹74,999 crore for nutrient-based subsidy. This was a 17% increase over the revised estimate of ₹1.86 lakh crore. This, according to officials, is due to the rise in fertiliser prices from March 2026.

This is still much lower than the department of fertilisers' internal estimate in the middle

of the serious supply disruptions in April-May, which suggested the subsidy bill could spike to even ₹3 lakh crore.

The government has spent close to ₹1 lakh crore so far under fertiliser subsidies which is 56% of the budget estimate of ₹1.77 lakh crore due to the rise in global prices of soil nutrients since the West Asia war.

A chunk of subsidy of ₹77,871 crore has been

incurred towards imports and domestic production of urea.

Sources said that the three agencies entrusted with imports for fertilisers – National Fertiliser, Rashtriya Chemicals and Fertilisers and Indian Potash – have imported 4.74 million tonne (MT) of urea, boosting domestic stock in the current fiscal.

By the end of August, the government's urea stock was 7.51 MT, 78% higher than the

previous year's level. Industry sources said that urea prices went up sharply since the beginning of the West Asia war as supplies of LNG, a key feedstock for urea manufacturing and finished products imports, were severely disrupted because of conflict.

As part of its diversification plan, the government has started importing urea from several countries including Oman, Malaysia, Vietnam, Georgia, Nigeria, Russia, Finland, Egypt, Algeria, Turkey, and the Netherlands.

In FY26, out of the total consumption of 70 MT of fertiliser, urea consumption was 40 MT. While India imported about 10 MT of urea last fiscal, domestic production of soil nutrient mostly depends on imported feedstock as LNG.

However, the global prices of diammonium phosphate (DAP) have increased to 8.4% to \$925/tonne in August, from \$853/tonne in April 2026.

A first: India exports Hilsa to Bangladesh

RAVIK BHATTACHARYA

Kolkata, September 15

IN A ROLE reversal of sorts, India is exporting Hilsa fish to Bangladesh, bucking the trend of the neighbour supplying the sought-after variety of fish that has the highest place of pride on Bengal's dining tables.

Around 500 tonnes of Hilsa, known as Ilish in Bengali, have been sent to Bangladesh over the past two months through the Petrapole land port on the international border in West Bengal. Traders expect an additional 150 to 200 tonnes of Hilsa to be exported to Bangladesh in the coming weeks.

Traditionally, Hilsa is brought in from Bangladesh when its government allows its import, generally during the Durga Puja festive season. Currently, Bangladesh has paused Hilsa exports to India.

"This is the first time Hilsa from our country is being exported to Bangladesh... Most of the catch is from Gujarat," said Syed Anwar Maqsood, secretary of the Fish Importers Association in Bengal and the Howrah wholesale fish market.

Kartik Chakraborty, secretary of Petrapole Clearing Agents Staff Welfare Association, said, "Earlier, we eagerly waited for Hilsa from the Padma river in Bangladesh. Later, its import was restricted. Now we are happy that fish from India is going to Bangladesh and people there like it."

A substantial portion of the Hilsa consignment is from Gujarat, particularly the Bharuch region, and some supplies have moved through the Howrah fish market in Bengal.

The traders said Hilsa with high roe content is attracting considerable demand in Chattoogram, Sylhet and other districts of Bangladesh.

India's critical mineral import dependence rising as demand surges: NITI Aayog report

Our Bureau
New Delhi

India's critical-mineral import dependence is rising, says a NITI Aayog report. Over the past two decades, annual global trade in energy-related critical minerals has surged from \$53 billion in 2002 to \$378 billion in 2024, the report said.

The report also noted that zero-duty imports of nickel-based superalloy bars and rods, despite domestic manufacturing capabilities, contribute to import dependence and the under-utilisation of investments in the domestic sector, among other factors.

The trade watch quarterly report said the growing dependence comes as demand for critical minerals is expected to rise sharply with the expansion of electric vehicles, battery storage, renewable energy and other clean-energy technologies.

IMPORT DEPENDENCE

India's import dependence for copper stands at 57 per cent, while the country is fully dependent on imports for nickel, lithium and cobalt, said the report. The report estimates cumulative demand for nickel at 11,543 kilotonnes (kt) between 2025 and 2070, while demand for

lithium is projected at 5,468kt and cobalt at 1,454 kt over the same period.

Copper has also emerged a major pressure point. Its import value more than tripled from \$3.3 billion in 2015 to \$11.8 billion in 2025, while import volumes more than doubled, according to the fig-

ures cited in the assessment.

The report said India's critical-mineral supply chain faces several structural constraints, ranging from mineral exploration and mining approvals to processing, recycling, energy costs and logistics.

High-exploration costs,

fragmented geological data and limited availability of risk capital are restricting new mineral discoveries.

The limited participation of junior exploration companies has also constrained exploration activity.

The report said India needs greater access to geolo-

gical data, risk capital and fiscal support to encourage private-sector participation and accelerate the discovery of new resources.

Delays in auctioning and operationalising lapsed mining blocks are another constraint, affecting the availability of key mineral inputs.

Mining and mineral projects also face prolonged regulatory and environmental clearances.

Forest approvals, multiple scrutiny stages and delays in arranging land for compensatory afforestation can extend project timelines.

CLEARER NORMS

The report also flagged uncertainty created by green-cover requirements and called for streamlined approval processes, including clearer rules for brownfield expansion.

Indian metal producers face high energy, financing and logistics costs. Renewable power charges, restrictions on group-captive sourcing and limits on banking can increase the cost of low-carbon production. Delays in slurry-pipeline projects can further raise logistics costs for exporters, while tariff and quota barriers in overseas markets can increase the landed cost of Indian steel.

India's import dependence and demand outlook for select critical minerals

Critical mineral	India's import 2015 (in \$m)	India's imports 2025 (in \$m)	CAGR in % (2015-2025)	Import dependence* (%)	Demand in kt* (2025-2030)	Share of top exporters in India's imports (%), 2025
Copper	3,288.20	11,846.60	13.70	57	66,069	Japan (18.2%), Tanzania (15.4%), UAE (11.4%), US (6.6%), China (6.2%)
Nickel	1,184.40	1,174.60	-0.10	100	11,543	China (26.2%), Japan (13.5%), US (9.0%), Norway (6.6%), UK (5.8%)
Graphite	67.7	179	10.20	28	46,489	Natural Graphite: Madagascar (36.1%), Tanzania (30.5%), Mozambique (9.6%), China (9.0%), Germany (4.0%) Synthetic Graphite: China (52.3%), Germany (8.3%), US (7.1%), Japan (5.7%), Norway (4.6%)
Cobalt	2.7	13	16.90	100	1,454	Belgium (58.3%), South Africa (27.4%), China (6.5%), Germany (5.4%), Netherlands (1.0%)
Lithium	19.888	32.791	5.10	100	5,468	Lithium oxide and hydroxide: Argentina (32.5%), Belgium (25.6%), China (22.6%), South Korea (6.0%), Australia (3.7%) Lithium carbonates: China (34.3%), US (21.0%), Chile (13.6%), Belgium (10.5%), Argentina (10.5%)

Source: ITC Trade Map, *Critical Mineral Assessment Report (NITI Aayog)

Business Line. Dt: 17/09/26.

Soybean imports may touch record high of 1 million tonnes

Vishwanath Kulkarni
Bengaluru

Soybean imports for the oil year 2025-26 ending September are likely to be at an all-time high, touching about a million tonnes, driven by a shortfall in domestic supplies. In the previous year, soybean imports stood at a mere 0.02 lakh tonnes (1t).

With rain playing truant and weak monsoon seen impacting the current kharif 2026 crop amidst a dip in planted area, the imports are likely to be sustained in the new oil year.

As per the latest demand supply estimates by the trade body Soybean Processors Association of India (SOPA), soybean imports stood at 9.34 lt during October-August period of oil year 2025-

26. Including the purchases for September, the total imports are likely to top 9.5 lt. The previous high in soybean imports were about 7 lt during 2022-23.

NON-GMO IMPORTS

India, an exporter of soybean till 2017-18, turned a net importer during 2018-19 and since then the import volumes were on the rise till 2022-23. Imports came down during 2023-24 and 2024-25, before rebounding to an all time high in the current year.

India imports mainly the non-genetically modified soybean from the least developed countries (LDCs) in sub-Saharan Africa such as Niger, Togo and Nigeria, where the non-GM varieties are largely grown.

SOPA had estimated soybean production of 110.26 lt

for 2025-26, about 14 per cent lower than 128.82 lt a year ago, due to a decline in area and the output being impacted by weather vagaries.

Total crushing for the oil year 2025-26 are estimated lower at 104.50 lt (113.50 lt).

LOWER CRUSHING

As a result of lower crushing, the production of soybean meal is expected to be lower at 82.46 lt (89.56 lt).

Consumption by the feed sector is projected marginally higher at 63 lt (62 lt), while the offtake from the food sector is estimated higher at 9 lt (8 lt). Exports of soymeal have halved to 10 lt on lack of price parity.

Per the Agriculture Ministry, soybean has been planted on about 122.08 lakh hectares this kharif, a tad lower than last year 123 lh.

Business Line Dt: 17/09/26

Livestock product exports up 44% in April-August

Vishwanath Kulkarni

Bengaluru

Exports of livestock products registered a 44 per cent growth to over \$3.132 billion during April-August of the current financial year, driven by strong demand for buffalo meat and other products.

In the same period last year, the exports were \$2.177 billion.

As per the Commerce Ministry's quick estimates, export of meat, dairy and poultry products in August 2026 touched \$694 million, up 37.1 per cent from \$506 million in the same month last year.

A category-wise break-up of the latest export figures for buffalo meat, dairy and poultry products was not available.



BUFFALO MEAT

Stakeholders said much of the growth in livestock product exports was driven by a strong demand for buffalo meat from Vietnam, Malaysia and other markets.

"The 44 per cent rise in India's animal product exports to \$3.1 billion during April-August is a clear indication that global demand for Indian livestock products is strengthening. Buffalo meat

continues to be a key driver of this trade, while poultry, dairy, eggs and other animal-origin products are also contributing to the growth," said Divya Kumar Gulati, Chairman, CLFMA of India, the apex trade body of livestock feed makers.

"India has built a strong presence across markets such as Vietnam, Egypt, the UAE, Malaysia and Saudi Arabia, which together reflect the growing acceptance of animal products across Southeast Asia, West Asia and Africa," he said.

"The current growth is being supported by competitive pricing, consistent demand from overseas markets and improving export infrastructure and quality compliance. The opportunity now is to take this momentum beyond a few major products and markets by ex-

panding the export basket, strengthening traceability and meeting the evolving quality requirements of global buyers. This can create a larger and more stable export opportunity for the entire livestock value chain, including farmers," Gulati said.

During 2025-26, livestock product exports registered a 22 per cent growth to \$6.215 billion from \$5.096 billion in the previous year.

DAIRY, POULTRY

Sources in the dairy sector said that shipments of ghee and, to some extent, skimmed milk powder contributed to the growth.

As far as poultry exports are concerned, India mainly exports eggs and egg powder. Poultry meat exports are not viable as the domestic cost of production is high.

Business Line Dt: 18/09/26

Automobile exports surge 22% in August led by two-wheelers

T E Raja Simhan

Chennai

India's automobile exports rose 22.2 per cent year-on-year to 6,81,338 units in August 2026, compared with 5,57,446 units in the same month last year, according to data released by the Society of Indian Automobile Manufacturers (SIAM).

Two-wheelers led the surge with 28.5 per cent growth. Passenger-vehicle exports were more subdued, declining 17 per cent to 68,230 units from 82,246 units in August 2025. In the segment, passenger car exports declined by 51.5 per cent in August over the same period last year.

The geopolitical disruptions led to the decline, say

industry sources. However, PV data does not include numbers for BMW, Mercedes, JLR, Tata Motors and Volvo Auto, SIAM notes.

Two-wheelers accounted for the bulk of the increase, with exports rising 28.5 per cent to 5,55,292 units from 4,32,033 units a year earlier. Motorcycles were the largest contributor within the segment, with exports increasing 33.4 per cent to 4,86,325 units from 3,64,487 units. Scooter exports rose 5.1 per cent to 68,085 units.

The decline in PV exports was witnessed among all the OEMs and in all segments — mini, compact and mid-size, says the data.

Kotak Institutional Equities' report on automobiles and components said that exports saw weak trends

across OEMs owing to logistical disruptions arising from West Asia crisis.

Poonam Upadhyay, Director, Crisil Ratings, said the trend suggests Indian automotive manufacturing is moving up the value chain rather than simply benefiting from a cyclical demand upswing. "Global markets are viewing India as a sourcing hub for compact SUVs, not just entry-level cars. Whether this marks a durable shift will depend on how quickly OEMs expand SUV-focused capacity to meet what appears to be sustained international demand," she added.

She drew attention to utility vehicle exports, which she noted, rose 23 per cent to around 2.03 lakh units during April-August FY27.

Business Line. Dt: 18/09/26

India secures duty-free quota access for 2.8 mt of steel exports to EU

TRADE PUSH. Free trade agreement benefits for the steel sector are front loaded, say officials

Amiti Sen
New Delhi

Indian exporters have secured potential duty-free access to 2.8 million tonnes (mt) of steel exports to the EU annually, even before the India-EU free trade agreement (FTA) comes into force, a government official said.

This includes a guaranteed country-specific quota of 1.9 mt, plus another 0.9 mt of access through residual quotas available to free trade partners, effectively front-loading benefits for the sector ahead of the FTA.

"As the regulation is in place from July 1, Indian exporters have already started availing of the quota and shipping steel to the 27-nation bloc," the official said, adding that "free trade



EXPORT DRIVE. Steel exports within the available quotas will attract zero duty BLOOMBERG

agreement benefits for the steel sector have been front loaded".

ZERO DUTY

Steel exports within the available quotas will attract zero duty, while shipments beyond the quota face a 50

per cent tariff, making the quota an important channel for Indian steelmakers seeking to expand shipments to the bloc. Earlier this year, the EU tightened its steel safeguard regime by reducing the volume of tariff-free quotas available to exporters.

"The negotiated quota arrangement with the EU will help India secure over 80 per cent of its exports to the EU," the official said. Last fiscal, India exported about 3 mt of steel goods.

2027 ROLLOUT

India and the EU are looking at signing the FTA by the year-end, with the European Commission putting forward its proposals to the European Council last week for its signature and conclusion. Following the signing, it would require approval by the European Parliament. The pact is expected to be implemented early 2027.

For Indian steel producers, the EU is a significant export market, although shipments have faced trade barriers and the bloc's tariff-rate quota system.

"For the steel industry, the

proposed quota mechanism will be an important factor in determining how effectively exporters can leverage the FTA with the EU. Greater clarity and predictability around quota volumes, allocation and implementation will enable manufacturers to plan production and exports with greater confidence. At the same time, ensuring adequate quota access for Indian steel products will be important to prevent trade barriers from limiting the benefits of the FTA," said Chandragupt Prakash Mangal, Managing Director, Mangalam Worldwide Ltd.

A transparent and well-calibrated framework can support sustained growth in India's steel exports while strengthening the competitiveness of Indian manufacturers in the European market, Mangal added.

Business Line Dt: 18/09/26

High freight costs weigh on poultry exports; shippers seek govt support

Vishwanath Kulkarni
Bengaluru

Poultry exports, which came to a standstill during April-May due to the war in West Asia, are gradually recovering, even as the abnormally high freight rates squeeze exporters' margins.

Increased competition from Turkiye in the region has added to exporters' concerns.

"Demand is currently mixed, and exporters do not see any significant growth yet, though the market is showing signs of recovery," said Valsan Parameswaran, Secretary, All India Poultry Product Exporters Association.

Shipping services were disrupted by the war, bringing exports almost to a



standstill in April. Around 120-125 containers were stuck but were cleared by the end of May or early June.

Exports gradually recovered to about 25-30 per cent of normal levels in June and July. They have since risen by about 10 percentage points each month and are now at around 50-55 per cent of normal levels, he said.

"Exporters are not in a

comfortable situation as freight rates have increased more than four-fold. Shipping costs from India to the UAE have risen from around \$1,900 per container to around \$9,000 currently. We request the government to intervene and initiate a dialogue with the shipping lines to bring down costs and increase sailings. We also urge the government to provide some subsidy to offset the high freight costs," Parameswaran added.

Further, he said, exporters, despite absorbing losses arising from the high freight rates, were maintaining shipments to keep the trade chain intact, maintain cash flows, keep infrastructure and the workforce operational, and protect market share.

The UAE is the biggest

market for Indian poultry products, mainly eggs.

SUSTAINING SHIPMENTS

"Sustaining exports also supports domestic demand and prices, which can have a positive impact on the broader market," Parameswaran said, adding that the Namakkal-Erode region in Tamil Nadu is the country's major egg-exporting hub, accounting for about 99 per cent of shipments. There are about 11-12 approved compartment farms in the Namakkal region, producing eggs for the export market.

Some compartment farms in Odisha have also received approval, but logistics remain a challenge, he said.

Overall egg exports were estimated around ₹2,000 crore last year, Parameswaran said.

India's Construction Equipment Exports Set to Top 20k Units in FY27

GLOBAL LEAP Developed market demand, FTAs and Stage V emission norms help move up value chain

Sharmistha Mukherjee

New Delhi: India's construction equipment exports are set to cross 20,000 units this financial year, growing 19% from fiscal 2026 and more than 70% from three years ago, with demand coming from Europe, the US, Australia and Southeast Asia, underscoring the country's increasing prowess as a manufacturer of globally competitive, precision-engineered products.

The Indian Construction Equipment Manufacturers' Association (ICEMA) estimates construction and infrastructure equipment exports to be 20,701 units in the fiscal year ending March 2027, up from 17,396 units in FY26, despite geopolitical headwinds. Exports rose about 32% last fiscal year, on a lower base. Exports were 11,990 units in FY24.

The surge in exports is supported by three structural tailwinds, ICEMA president Deepak Shetty told ET. "India moved to Stage V emission norms for construction equipment last year, which opened up opportunities for exports to developed markets. This, along with the tariff concessions India is receiving under the newly inked FTAs (free trade agreements), is resulting in export demand shifting from Saarc (South Asian Association for Re-

Growth Pillars

Exports are projected to rise **19%** this fiscal year

Shipments have grown over 70% in the past three years

The US, Europe and Australia are driving growth

Demand is increasingly shifting towards developed markets

Exports rose 29% in the first four months of FY27



gional Cooperation) countries like Nepal, Sri Lanka and Bangladesh towards more developed markets," said Shetty, who is also managing director at market leader JCB India.

In fact, exports of high-value engineering goods from India are rising across sectors. Shipments rose by 5% to \$24 billion in auto components, by 63% to Rs 4.6 billion in defence hardware and by 25% to \$48 billion in electronics goods last financial year. Backed by a large domestic market, deepening localisation, an established supplier ecosystem and cost-competitive engineering talent, India is positioning itself as an

alternative manufacturing hub for complex machinery worldwide, senior industry executives said. The local market is the third-largest globally after the US and China and is projected to become the second by 2030. While India has "significant potential" to emerge as a global manufacturing and export hub for construction equipment, the broader engineering export ecosystem is also demonstrating the country's growing global competitiveness, said Sandeep Singh, managing director at Tata Hitachi Construction Equipment Co.

"However, the change in the geopolitical setup with the crisis in the Middle

East, as well as the imposition of tariffs by many countries, is a major challenge to navigate the export market. The cost of logistics and vessel availability has significantly deteriorated since the Gulf crisis, and the industry is closely watching these developments to adapt to the overseas requirements," he said.

For Tata Hitachi, exports represent a long-term opportunity, he said.

The focus is not only on exporting machines, but on developing products engineered and manufactured in India for global applications. The company is seeing potential in South Asia, Africa, the Middle East and other emerging markets, where infrastructure development, road construction and urbanisation are creating demand for competitively positioned equipment, Singh said.

JCB India, the largest exporter, is targeting 15-20% growth in exports this fiscal year. "Last year we exported around 14,000 units to several markets, including the developed geographies. The US contributed a major share of our exports," Shetty said.

The company exports to around 135 countries, including in Southeast Asia and Africa. Industry executives said the construction equipment industry is witnessing a clear improvement in demand momentum.

80% Steel Exports Get EU Tariff Shield Under FTA

Our Bureau

New Delhi: India has secured a country-specific tariff-rate quota of 1.9 million tonnes annually for steel exports to the European Union and the government expects exporters to secure another 0.9 mt through residual quotas, taking the total to 2.8 mt, an official said on Thursday.

This would potentially ensure that over 80% of the country's steel exports to the bloc, which stood at 3.0 mt in the last fiscal, will remain under the free trade agreement (FTA) at a time when the EU has tightened restrictions on steel imports. The government is also in talks with the EU on issues related to carbon pricing under the Carbon Border Adjustment Mechanism (CBAM), the official said.

Indian exporters started availing the quota from July 1, when the EU's Steel Overcapacity Regulation came into effect, the person said.

The regulation, aimed at protecting the EU's steel industry against global overcapacity, limits free-of-duty imports at 18.3 mt a year, and imposes a 50% duty on imports beyond

Steely Resolve

India secures annual TRO of **2.8 mt** for steel exports to EU

Quota covers over **80%** of India's steel exports to the EU, shipments within quota are duty-free



EU front-loaded steel FTA gains to India in July

EU Steel Overcapacity Regulation, effective July 1

the available quota. The quotas cover a gamut of steel products, including stainless steel, pipes and tubes, non-alloy and alloy hot-rolled sheets and strips, cold-rolled sheets, and organic-coated.

For product categories where India does not have a country-specific quota, it will have access to residual quotas, including general residual quotas which are open to eligible trading partners and preferential quotas reserved for EU FTA partners. "We have safeguarded 80% of our exports to the EU," the official said. "However, duty-free access will not mean cost-free entry," the person

added, noting that the CBAM will apply to Indian steel "both within and outside the quota. According to think tank GTRI,

"When fully phased in, the carbon charge could average about 35%." The European Commission has submitted proposals to the EU Council concerning the signing and conclusion of the FTA.

The government expects the European Parliament approval process to complete by March 2027 after which the agreement would move towards operationalisation, subject to completion of the remaining procedures.

Marine exports rise 14% in Apr-Aug

SANDIP DAS

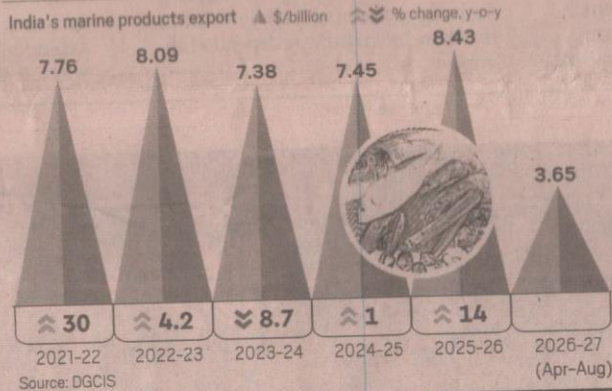
New Delhi, September 17

MARINE PRODUCT SHIPMENTS, the second biggest item in terms of agri-shipments after rice, increased more than 14.3% year-on-year during the April-August period of FY27, with the overall exports rising to \$3.65 billion.

In August 2026, marine shipments, including frozen shrimp varieties such as vannamei and tiger and frozen fish, rose by 27% year-on-year to \$0.76 billion, according to a quick estimate by the commerce ministry.

Robust growth in exports to the United States, India's biggest market, and diversification of shipments to the European Union (EU) and other countries

ROBUST SHIPMENT



has led to the growth in shipments in FY27 so far.

A leading exporter said that seafood product shipments to the United States have been sta-

ble for the last several months. A year ago, the shipments were hit following the imposition of an effective tariff of 59.71% by President Donald Trump's

administration, which was subsequently reduced to 18%.

"The effective import duty by the US on Indian products currently is being borne equally by both importers and exporters; thus, we have witnessed robust growth in shipments in the current fiscal," P Jawahar, chairman, Marine Products Export Development Authority, told *FE*. Jawahar said that export prospects to the US look robust as major consumer demand peaks from October onwards.

Despite being hit by the high US tariff last year, India's marine products exports increased 14% y-o-y to a record \$8.43 billion in FY26, driven by a surge in shipments to several new markets such as Europe, China and Southeast Asia, an official said.

APRIL-AUGUST SHIPMENTS NEAR \$20 BILLION

India's exports to core BRICS rise 34%

MUKESH JAGOTA

New Delhi, September 20

TRADE TIES GETS STRONGER

INDIA'S EXPORTS TO the four core BRICS economies of Brazil, China, Russia and South Africa surged 34% in April-August this year to \$19.9 billion, from \$14.9 billion in the corresponding period last year, signalling a sharp acceleration in shipments to the bloc's original members.

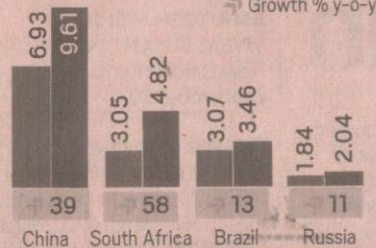
The growth in exports to the core BRICS members was substantially faster than the increase in India's exports to the expanded 11-member grouping. India's exports to all BRICS countries rose 13% year-on-year to \$34.5 billion during April-August, from \$30.5 billion in the same period last year, according to an analysis by the Ministry of Commerce and Industry.

The stronger performance of the four core members has also increased their weight in India's export basket. Their share of India's total exports rose to 9.2% in April-August, from 8.1% in the corresponding period of 2025.

"India is not only strengthening its trade footprint within BRICS but is also becoming more integrated with the bloc's largest economies. With exports to core BRICS growing nearly three times faster than exports to the broader BRICS grouping, these markets are increasingly emerging as a key pillar of India's export strategy," a senior official said.

(\$ bn) ■ April-Aug 2025 ■ April-Aug 2026

↗ Growth % y-o-y



Total exports to core BRICS countries

14.9

19.9

↗ 34

Share of core BRICS in total exports (in %)

8.1

9.2

April-Aug 2025

April-Aug 2026

India Exports to all 11 BRICS Nations (April-July, in %)

30.5

34.5

↗ 13



China was the largest contributor to the increase among the core BRICS economies, with Indian exports rising 39% to \$9.6 billion during April-August. South Africa recorded the fastest growth, with exports increasing 58% to \$4.82 billion during the first five months of the financial year. Exports to Brazil and Russia also recorded double-digit growth of 13% and 11%, respectively. Shipments to Brazil stood at \$3.46 billion in April-August, while those to Russia were at \$2.04 billion.

The acceleration comes at a time when BRICS is seeking to deepen economic integration

through easier market access, stronger supply chains, digital trade and greater use of local currencies.

The push received fresh impetus at the 18th BRICS Summit in New Delhi last week, where leaders adopted the New Delhi Declaration and advanced a series of initiatives aimed at facilitating trade and investment among member countries.

The measures cover trade facilitation, customs cooperation, global value chains, digital services, MSMEs, agricultural trade and cross-border payments.

The expansion of BRICS to

11 members has also widened India's potential trading market beyond the original Brazil, Russia, India, China and South Africa grouping. Egypt, Ethiopia, Iran, the UAE, Saudi Arabia and Indonesia have joined the grouping, opening additional opportunities for Indian businesses in areas ranging from energy and minerals to agriculture, manufacturing and services.

The summit's focus, however, extended beyond increasing trade volumes to addressing practical barriers that constrain commerce among member countries.

The Strategy for BRICS Eco-

nomics Partnership 2030 is being positioned as the broader framework for economic cooperation, while the BRICS Global Value Chains Action Plan for 2026-30 seeks to strengthen and diversify supply chains and increase the participation of developing economies in higher-value production.

Customs cooperation is another important element of the emerging trade architecture, with BRICS members. Digital trade and services also received considerable attention at the summit, an area of particular importance for India given its strong position in IT and business services.